

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: U S WEST COMMUNICATIONS, INC.	DOCKET NO. RPU-96-2
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ORDER APPROVING SETTLEMENT

(Issued April 16, 1999)

On March 5, 1999, U S West Communications, Inc. (U S West), and the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed a joint motion to approve a settlement agreement in Docket No. RPU-96-2. The motion was made pursuant to IOWA ADMIN. CODE 199-7.2(11) and represents a mutually-acceptable outcome to the proceeding without resolving material issues. The settlement would establish rates for single line integrated services digital network (ISDN) service. The other parties in the proceeding, MCI Telecommunications Corporation (MCI) and AT&T Communications of the Midwest, Inc. (AT&T), while not joining in the settlement, have stated they do not object to the settlement.

This rate proceeding grew out of an earlier proceeding, identified as Docket No. RPU-94-6, which was resolved by a settlement approved by an order issued by an administrative law judge on January 22, 1996. That order approved ISDN rates for basic (PC/phone) and primary service, but required U S West to file a tariff for single line ISDN. The resulting tariff, TF-96-85, was set for investigation in this

proceeding, identified as Docket No. RPU-96-2. Consumer Advocate requested that single line ISDN service be allowed to go into effect during the proceeding, subject to refund. On June 14, 1996, U S West filed a tariff, identified as TF-96-229, to provide single line ISDN on an interim basis with a corporate undertaking to secure refunds. The tariff contained an exception to U S West's refund obligation for usage charges. That tariff is currently in effect.

The Board allowed delays in the filing of testimony and the hearing in Docket No. RPU-96-2 at two separate times to allow resolution of related cost study methodology issues that arose in other dockets. On January 15, 1999, the Board issued an order setting a new procedural schedule. On March 2, 1999, Consumer Advocate and U S West filed a joint motion for suspension of the procedural schedule because they had reached a settlement of the issues in the case. Finally, on March 5, 1999, as discussed above, Consumer Advocate and U S West filed the settlement agreement and motion to approve the settlement.

IOWA CODE § 17A.10(1) (1999) encourages agencies to resolve disputes through informal settlements. The Board finds the proposed settlement agreement reasonable and lawful, in part, because the monthly rates are substantially lower and the nonrecurring charge and the per-minute usage charge are not changed from the rates in TF-96-229. The lower monthly rates in this settlement will benefit customers who use ISDN service. In addition, the signatories to the settlement agreed that the rates established exceed U S West's cost of providing the service. The signatories concluded it is in the best interest of U S West, its customers, and the public to reach

a mutually-acceptable outcome in this case. The Board will approve the settlement agreement in its entirety without condition or modification.

The only rates from TF-96-229 changed in the settlement are the monthly rates. Therefore, the refunds in the docket will be limited to the difference between the monthly rates in TF-96-229 and in the settlement. U S West will be required in this order to file a compliance tariff reflecting the settlement agreement and a refund plan for Board review.

IT IS THEREFORE ORDERED:

1. The joint motion to approve settlement agreement filed by U S West Communications, Inc., and the Consumer Advocate Division of the Department of Justice in Docket No. SPU-96-2 on March 5, 1999, is granted. The Board approves the agreement in its entirety without condition or modification.

2. On or before 14 days after the issuance of this order, U S West shall file a compliance tariff to provide single line ISDN service pursuant to the rates in the settlement agreement. U S West also shall file a refund plan for Board review at the same time.

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3. The motion to suspend the procedural schedule filed by U S West and Consumer Advocate on March 2, 1999, is moot, pursuant to the approval of the settlement agreement, and need not be ruled upon.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Emmit J. George, Jr.

ATTEST:

/s/ Raymond K. Vawter, Jr.
Executive Secretary

/s/ Paula S. Dierenfeld

Dated at Des Moines, Iowa, this 16th day of April, 1999.